

GROVE ARCADE PUBLIC MARKET FOUNDATION

PRESENTATION TO ASHEVILLE PLANNING
AND ECONOMIC DEVELOPMENT COMMITTEE

Jeff Richardson

May 18, 2010 MEETING



Grove Arcade



Agenda:

1. An Overview of the Original Plans
2. History of Payments
3. Current Challenges
4. Budget Overview



Grove Arcade: History



- Original Goals First Presented to City Council
- Flaws to the Original Business Model
- Actions by the Foundation to Remedy Flaws in the Original Plans



Grove Arcade: Generated Rents



<u>Year</u>	<u>Rents Generated Since Completion</u>
2002	\$23,810
2003	\$494,325
2004	\$834,853
2005	\$822,364
2006	\$929,318
2007	\$997,725
2008	\$946,439
TOTAL	= \$5,048,834

Grove Arcade: COPS Payments



Year	Debt Service Payment (\$)	Property/Sales Tax Credit (\$)	Net Debt Service Payment (\$)
2000	125,000.00	-	Paid
2001	129,375.00	-	Paid
2002	133,903.13	-	Paid
2003	138,589.73	-	Paid
2004	143,440.38	-	Paid
2005	148,460.79	-	Paid
2006	153,656.92	-	Paid
2007	159,034.91	-	Deferred
2008	164,601.13	-	Paid
2009	170,362.17	-	Deferred
2010	176,324.85	60,000	116,324.85
2011	182,496.21	60,000	122,496.21
2012	188,883.58	60,000	128,883.58
2013	195,494.51	60,000	135,494.51

Re-Evaluate



Grove Arcade: Current Challenges

- Seven Years Post Renovation: 80 Year Old Building
- Continued Deferred Maintenance Issues:
 - Roof Replacement (\$1.1M)
 - Terra Cotta Sealant (\$500K)
- Repayment of \$1.8 Million Bridge Loan
- Tough Economic Retail Environment



Grove Arcade: Budget Overview



- 2010 Budget Income: \$982,700
- 2010 Budget Expense: \$939,695
- * \$293K dedicated to ongoing building maintenance needs
- * \$50K dedicated to capitol improvements
- * No ability to continue current debt service payment as structured
- * Progress Energy has agreed to relax terms of \$1.8M Bridge Loan Repayment

Grove Arcade: Staff Recommendation



- Staff recommends that the Planning and Economic Development Committee consider allowing the property and sales tax revenue generated from the Grove Arcade Building to be credited to the annual COPS payment.



City
of Asheville
North Carolina

